

## **Creating sustainable business models** <sup>[1]</sup>

More than 10 years ago, C. K. Prahalad, a management thinker, challenged Novartis to do more to reach large numbers of people living at the base of the pyramid in developing countries – those earning less than USD 2 per day. This led to our first social business, Arogya Parivar (Healthy Family in Hindi), in India. This program quickly demonstrated the feasibility of our approach by breaking even 30 months after launch, and increasing sales by nearly 300 times in 10 years.

Building on this success, Novartis launched Healthy Family programs in Vietnam (2012) and Kenya (2013). A key characteristic of these programs is the co-existence of two separate yet mutually reinforcing arms. Social activities, both healthcare education and health camps, are independent from commercial operations yet financed through product sales.

## **Improving health education and care in a way that is sustainable for our business**

Healthy Family programs use innovative business models that build local, sustainable capabilities for healthcare – including education, infrastructure and products – for people living at the base of the pyramid. Local health educators teach their communities about health-related issues, host health education meetings, and explain the importance of seeking out diagnosis and treatment from a qualified doctor before a condition worsens.

Each program is unique and adapted to the country's healthcare priorities and local customs. To be included in the respective portfolios, products need to be simple to use and tailored to meet the needs of underserved populations with a low disposable income, usually earned on a daily basis.

Since 2007, more than 66 million people have been reached through health education in India, Vietnam, Kenya and Uganda. More on our [Healthy Family programs](#) <sup>[2]</sup>

[Video of Novartis Healthy Family programs expand access to healthcare](#)

## **A portfolio approach to address chronic diseases**

With the launch of Novartis Access® in 2015, we took our social business approach to the next level. Novartis Access offers a portfolio of medicines to address key NCDs. The portfolio is available to governments, NGOs and other public sector healthcare providers in lower-income countries at a price of USD 1 per treatment, per month. In addition, in 2019, we launched Novartis Access in the private sector in Kenya, Nigeria, Tanzania and Uganda. We increased the flexibility of our offering to respond to country requirements and are now also proposing sub-portfolios as well as itemized medicines at different prices. Beyond the

portfolio, Novartis Access offers capacity-building activities to support healthcare systems in preventing, diagnosing and treating chronic diseases.

More on [Novartis Access](#) <sup>[3]</sup>

### Video of Novartis Access Defined

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